

15-6-1. Short title.

This act shall be known and may be cited as the "Utah Prompt Payment Act."

Enacted by Chapter 300, 1983 General Session

15-6-2. Time for payment by state agencies.

(1) An agency of the state of Utah which acquires property or services pursuant to a contract with a business shall pay for each complete delivered item of property or service on the date required by contract between such business and agency or, if no date for payment is specified by contract, within 60 days after receipt of the invoice covering the delivered items or services.

(2) The acquisition of property includes the rental of real or personal property.

Enacted by Chapter 300, 1983 General Session

15-6-3. Interest on payments by state agencies.

(1) (a) Interest shall accrue and be charged on payments overdue under Section 15-6-2 at 2% above the rate paid by the Internal Revenue Service on refund claims.

(b) This rate is established and adjusted on a quarterly basis and shall be applied on a per annum basis beginning on the day after payment is due, if the payment due date is specified by contract, or on the 61st day after receipt of the invoice, if no payment date is specified by contract.

(c) Interest ceases to accrue on the date payment is made.

(2) Any interest that remains unpaid at the end of any 60-day period or that remains unpaid at the end of any specified period provided by contract shall be added to the principal amount of the debt and shall accumulate interest.

(3) A state agency may not seek additional appropriations to pay interest that accrues because the agency failed to make payments as required by Section 15-6-2.

Amended by Chapter 79, 1989 General Session

15-6-4. Disputed payments excepted.

If the agency fails to pay the amount due on time because of a dispute between the agency and the business over the amount due or over compliance with the contract, the provisions of this chapter do not apply.

Amended by Chapter 79, 1989 General Session

15-6-5. Contractors' payments to subcontractors -- Time -- Interest.

Upon payment by an agency of the state of Utah or by an agency of the United States, a business which has acquired under contract, property or services in connection with its contract with such an agency from a subcontractor or supplier, shall pay such subcontractor or supplier within 30 days after payment from such agency. Interest at the rate of 15.5% per annum shall accrue and is due any subcontractor or supplier who is not paid within 45 days after the business receives payment from the agency, unless otherwise provided by contract between the business and the

subcontractor or supplier. Interest begins to accrue on the 31st day at the rate specified in this subsection.

Enacted by Chapter 300, 1983 General Session

15-6-6. Exceptions.

This chapter does not apply to contracts that involve disbursement of federal funds, or state and federal funds, by the state or its agencies.

Enacted by Chapter 79, 1989 General Session